

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 00725 171351Z
ACTION CU-03

INFO OCT-01 NEA-10 IO-13 ISO-00 USIA-06 AID-05 LAB-04
HEW-04 /046 W

-----171443Z 065792 /53

R 170702Z JAN 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 0613
INFO USMISSION GENEVA

LIMITED OFFICIAL USE NEW DELHI 725

E.O. 11652: N/A

TAGS: ETRD, GATT, IN

SUBJECT: MFA RENEWAL

REF: STATE 004359

1. EMBOFF TOOK THE OCCASION OF CALL ON COMMERCE JOINT SECRETARY PREM KUMAR TO ASK HIS VIEWS ON PROSPECTS FOR RENEWAL OF MFA AND RISKS TO INTERNATIONAL TEXTILE TRADE FROM FAILURE TO RENEW IT.

2. KUMAR, WHILE DISTINGUISHING HIS GOVERNMENT'S POSITION FROM THAT OF PAKISTAN (CHICH HE SAID WAS FLATLY OPPOSED TO MFA RENEWAL), ASSERTED THAT THE AGREEMENT WAS OF NO BENEFIT TO INDIA IN THE ABSENCE OF SETTLEMENT OF CERTAIN ISSUES WHICH HAD ARISEN IN ITS IMPLEMENTATION. HE SAID THAT LONG LIST OF THESE ISSUES HAD BEEN MADE CLEAR BY GOI DELEGATION IN GENEVA. IN PARTICULAR, THE INDIAN GOVERNMENT WAS IDSCONTENT WITH THE TREATMENT OF HANDLOOM EXPORTS. HE REFERRED TO BILATERAL DISCUSSIONS BETWEEN US AND INDIA LEADING UP TO THE ORIGINAL NEGOTIATION OF MFA. ACCORDING TO KUMAR, GOI HAD SIGNED MFA EVEN THOUGH PRECISE LANGUAGE ON HANDLOOMS HAD NOT COMPLETELY REFLECTED THE RESULTS OF THOSE BILATERAL TALKS. DEVELOPMENTS IN RECENT PAST AFFECTING INDIAN HANDLOOM EXPORTS RENDERED PROBLEM EVEN MORE SERIOUS. SECONDLY,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 00725 171351Z

DECISION OF "SOME GOVERNMENTS" TO EXERCISE GATT RIGHTS WHEN MFA DID NOT PROVIDE ADEQUATE PROTECTION FURTHER UNDERMINED VALUE OF MFA TO EXPORTERS SUCH AS INDIA.

3. EMBOFF ASKED WHETHER GOI BELIEVED THERE EXISTED SERIOUS THREAT OF PRESSURES FROM IMPORTERS FOR GREATER PROTECTION IF TERMS OF MFA WERE RENEGOTIATED. KUMAR'S RESPONSE WAS THAT

IN PRESENT SITUATION FMA WAS PROVIDING NO TANGIBLE BENEFITS.
IN ADDITION TO PROBLEMS ALREADY CITED, ONE IMPORTER HAD
NOTIFIED INDIA THAT IMPORT QUOTAS FOR NEXT TRADING YEAR WOULD
HAVE ZERO GROWTH RATE PROVISION.

4. COMMENT: KUMAR IS A HARD BARGAINER AND WE STILL QUESTION
WHETHER INDIA WOULD RATHER SEE NO NEW AGREEMENT RATHER THAN
TRY FOR BETTER DEAL WITHIN THE TERMS OF CURRENT MFA TEXT.
KUMAR IS PRINCIPAL POLICY FORCE WITHIN THE MINISTRY OF
COMMERCE ON THESE ISSUES, HOWEVER, AND WE CAN EXPECT TOUGH
INDIAN STAND TO THE VERY END. KUMAR HIMSELF CONCLUDED THIS
PORTION OF CONVERSATION BY LOOKING FORWARD TO UPCOMING
MEETING OF SEVEN PLUS SEVEN.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 17-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977NEWDE00725
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770016-1124
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770145/aaaabnqy.tel
Line Count: 76
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f9ccf2d8-c288-dd11-92da-001cc4696bcc
Office: ACTION CU
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 4359
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3581514
Secure: OPEN
Status: NATIVE
Subject: MFA RENEWAL
TAGS: ETRD, IN, GATT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f9ccf2d8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009